



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - Public distribution

**Date:** 7/17/2008

**GAIN Report Number:** TW8036

## Taiwan

### Agricultural Situation

### Stone Fruit Market Briefing PPT

2008

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**Report Highlights:**

While Taiwan produces significant quantities of "Asian" apricots, plums and peaches, they are, with the exception of peaches, channeled primarily into processed food applications. Therefore, an estimated one half of total fresh stone fruit consumption in Taiwan is supplied by imports.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Trade Report  
Taipei ATO [TW2]  
[TW]



# Stone Fruit Market in Taiwan

Agricultural Trade Office  
American Institute in Taiwan  
Drafted by Amy Hsueh and  
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# Market Overview

*Basics*

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## Stone fruits...

are familiar in Taiwan  
have a good consumer base  
are well received by the wholesale and retail trade



# Market Overview

*Just the Facts*

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50% of total fresh, stone fruit consumption is supplied by imports

Local stone fruit differs with imports...

Most Taiwan-produced plums and prunes are processed  
Peaches are sold and consumed fresh

Due to SPS issues, China is currently excluded from the market of plums, peaches and nectarines



# Market Overview

*Just the Facts*

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Import volumes (2007):

%44	--	Nectarines
%22	--	Peaches
%18	--	Cherries
%16	--	Plums

U.S. has captured 82% of Taiwan's stone fruit imports

U.S. imports represent more than 40% of total fresh stone fruit consumption



# Market Overview

*Getting to Know Taiwan*

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## In Taiwan there is...

- » year-long local fruit production, with developed and sophisticated tastes for fresh fruit
- » very high per-capita fruit consumption rate
- » affinity for attractive fruit appearance
- » broad-based use of fruit as an expression of social courtesy eg. Gifts for friends and families





# Market Overview

*Getting to Know Taiwan*

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## Taiwan consumer objectives...

- » health
- » face value
- » reliable quality



# Market Overview

*Future Prospects*

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Will the U.S. remain a large supplier in the foreseeable future?

What should U.S. industry/exporters do to increase exports?





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# PEACHES & NECTARINES



# Peaches & Nectarines

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*Production*

2007 production: 28,435 metric tons >1% decrease from 2006  
 2008 (forecast): 30,373 metric tons 7% increase from 2007

## Taiwan grown peaches...

sold and consumed fresh  
 compete in the same market as imports

Taiwan nectarines available in market from May

Taiwan peaches harvested in July/August

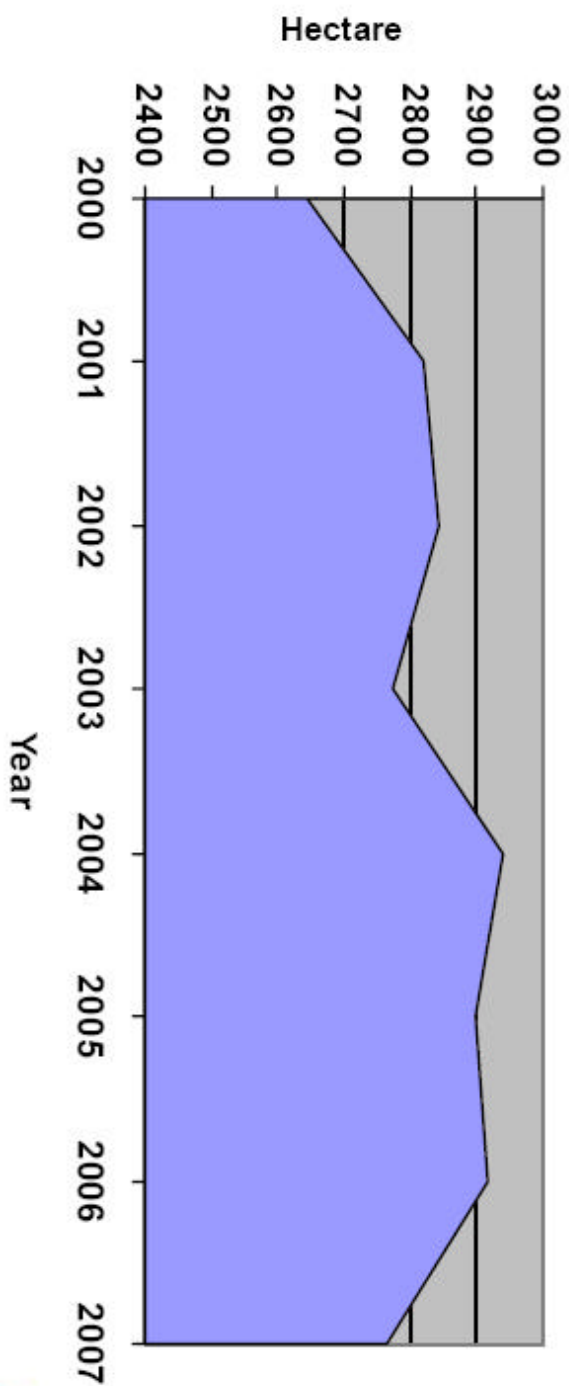


# Peaches & Nectarines

*Production*

# 桃

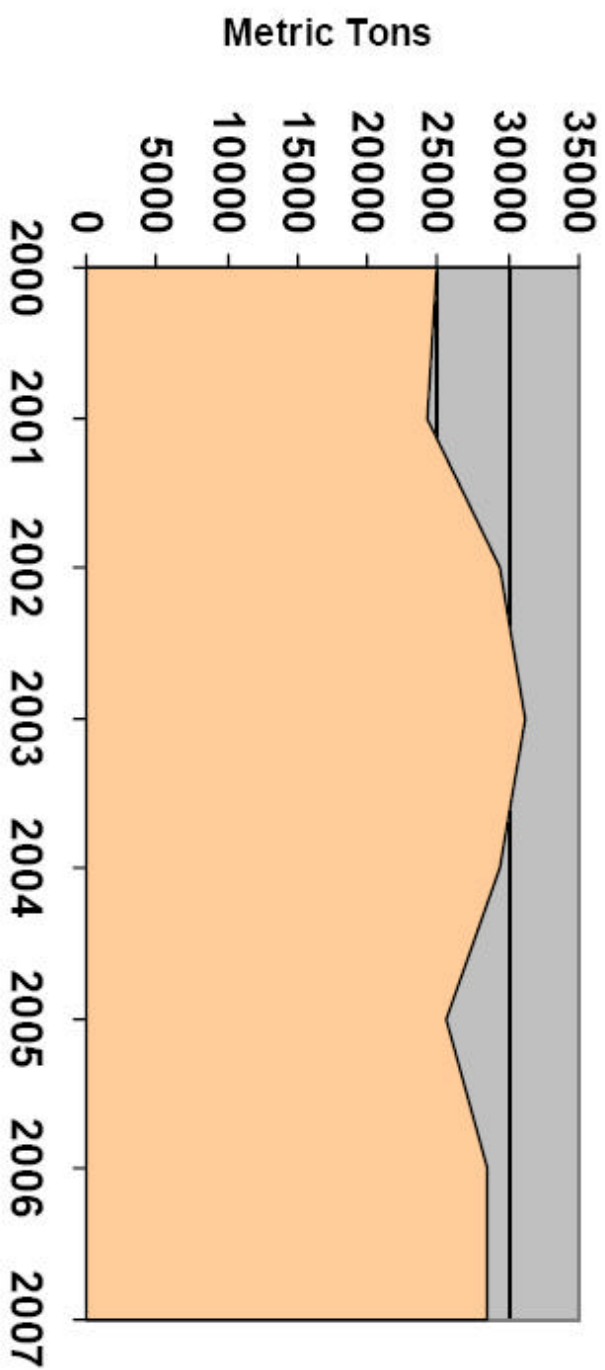
## AREA PLANTED - Peaches & Nectarines



# Peaches & Nectarines

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## PRODUCTION - Peaches & Nectarines



Source: Taiwan Council of Agriculture



# Peaches & Nectarines

*Trade*

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2007: Taiwan imported 37,731 metric tons (≈US\$48 million)

13% increase in terms of volume

5% increase in terms of value

U.S. has largest market share (88%)

Direct competitors mainly local peaches (24,418 metric tons, 2007)



# Peaches & Nectarines

*Trade*

桃

## Trends in Market Share by Country Fresh Peaches & Nectarines





# Peaches & Nectarines 桃

*Consumption*

Taiwan consumers/traders have strong preference for U.S. imports

Taiwan's food retail sector is mature

Retail leaders: Carrefour, RT Mart/Auchan, Costco, Wellcome, etc.

Peach & nectarine sales concentrated in hypermarkets/supermarkets



# Peaches & Nectarines

*Consumption*

## 桃

Imported peaches & nectarines popular for gift-giving\*

Three major lunar year festivals:

Chinese New Year (usually February)

Dragon Boat Festival (usually June)

Moon Festival (usually September)

\*also highly popular during graduation season



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# PLUMS & PRUNES

NOTE: Taiwan plums are Japanese apricots



Plums & Prunes

*Production*

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2007 production: 63,664 metric tons 14% decrease from 2006

2008 (forecast):

Plums: 23,344 metric tons 7% decrease from 2007

Prunes: 32,089 metric tons 15% decrease from 2007



# Plums & Prunes

*Production*

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## Why is **prune** production decreasing?

Almost **100%** of Taiwan production is processed  
Taiwan prune processing industry has been **shrinking** since 1996  
Farmers encouraged to reduce area planted/harvested for prune  
production in Taiwan since 2004



## Why is **plum** production decreasing?

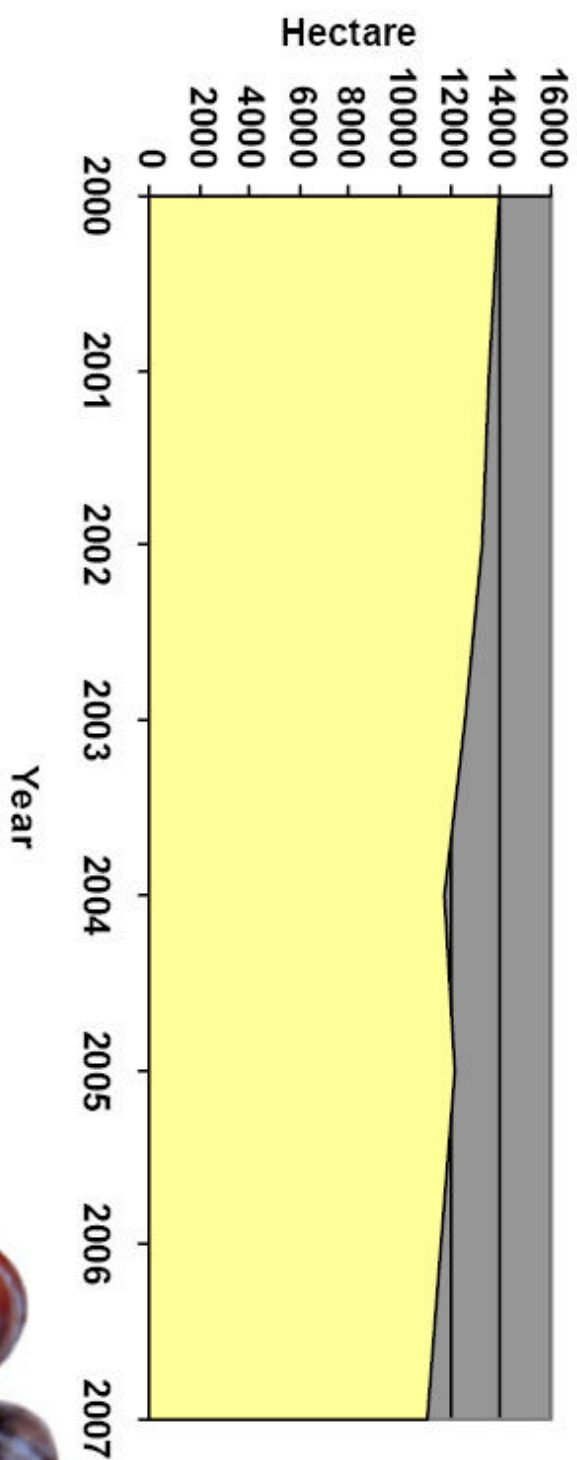
Area planted for plums declining due to  
lower selling prices at the farm level  
Farmers switching to more profitable fruit

# Plums & Prunes

*Production*

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## Area Planted - Plums & Prunes



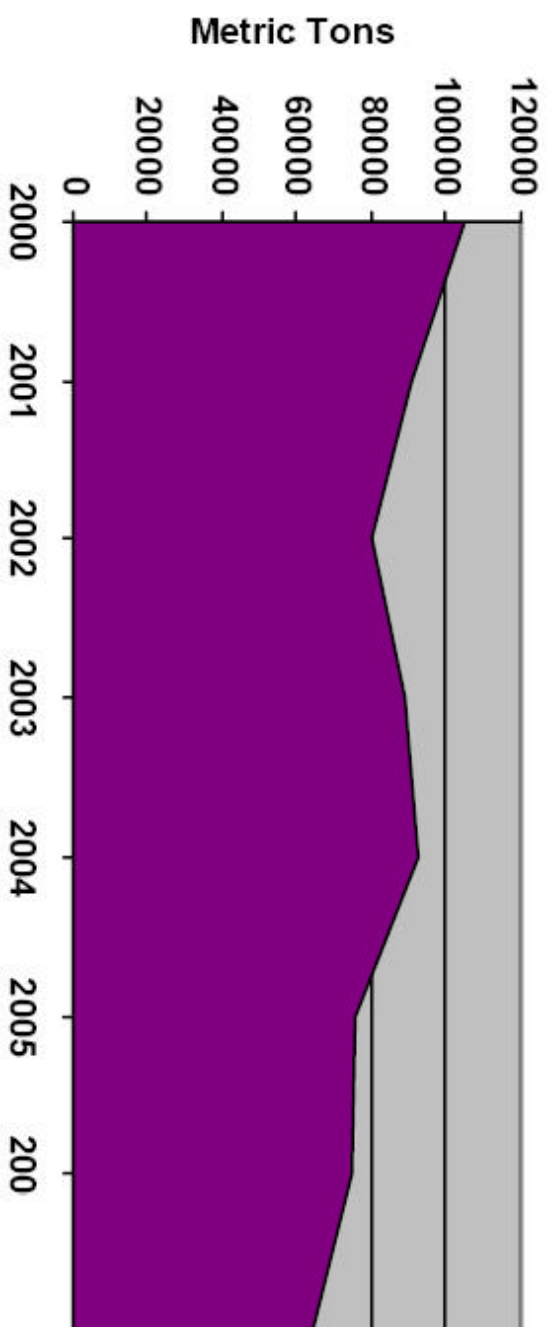


# Plums & Prunes

*Production*

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## Production - Plums & Prunes



Source: Taiwan Council of Agriculture



# Plums & Prunes

*Trade*

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Taiwan fresh plum imports in 2007:

8,976 metric tons

37% decrease from 2006

U.S. remained largest supplier with 72% market share



# Plums & Prunes

*Trade*

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## Why is there a decrease in imports?

Over supply of local plums and relatively high prices of U.S. plum imports in 2006

## What prospects of import growth?

Anticipated imports remain flat with some growth in 2008

## What is the competition?

Tropical fruit substitution, other importers...



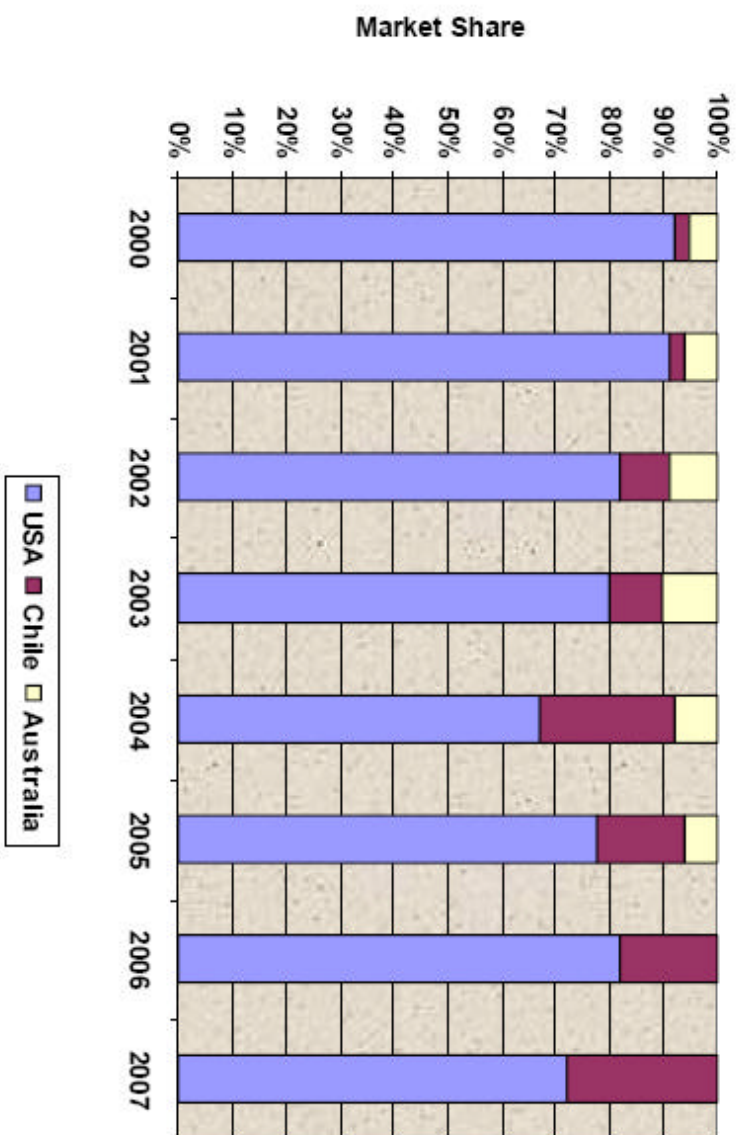
# Plums & Prunes

*Trade*

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## Trends in Market Share by Country

**Plums**





# CHEERRIES

櫻桃



# Cherries *Production*

櫻桃

100% of cherries are imported  
Taiwan does not produce cherries



# Cherries

*Trade*

## 櫻桃

Fresh cherry imports in 2007 decreased by **13%** volume, **29%** value  
2007 imports of **10,483** metric tons  $\approx$  US\$62 million

**U.S.** continues to be the leading supplier with **67%** of the market,  
but **U.S.** market share is decreasing...



# Cherries

*Trade*

櫻桃

**Why is the U.S. market share decreasing?**

Taiwan joined the WTO in 2002

Entry of Southern Hemisphere suppliers increased competition, Chile and Australia

**What about Chinese cherry imports?**

Permitted from 2005, but little impact due to quality issues and

Importer concerns about consumer acceptance



# Cherries

*Consumption*

櫻桃

## Why is the Taiwan market important for U.S. growers?

Taiwan importers will pay premium price for largest cherries  
Taiwan #2 export market for U.S. Northwest cherries  
Taiwan #3 export market for California cherries

## Where are cherries sold?

50%-60% of fresh fruit still sold in traditional wet markets  
20%-25% of cherries sold in supermarkets and hypermarkets  
However, direct sales on TV/Internet increasing rapidly...



# Closing Remarks

*General Phytosanitary Requirements*

## THREE BASIC LAWS...

Food Safety Management Act

Food Safety Management Regulations

Maximum Residue Level Standards



# 中 Closing Remarks *The China Factor*

Not considered in current market competition

(Long-run threat to U.S. market share)

Taiwan opened to imports of fresh cherries (2002) and apricots (2007) from China. However, no recorded imports of either...



## Why are there no imports from China?

Logistical difficulties – perishable products

Quality control difficulties

High risk, high profit for importers

Other suppliers preferred

